

12/06/2004 17:23 FAX

United States Senate

WASHINGTON, DC 20510

December 6, 2004

The Honorable Bill Frist
Senate Majority Leader
Washington, DC 20515

The Honorable Dennis Hastert
Speaker of the House
Washington, DC 20500

The Honorable Tom Daschle
Senate Democratic Leaders
Washington, DC 20515

The Honorable Nancy Pelosi
House Democratic Leader
Washington, DC 20500

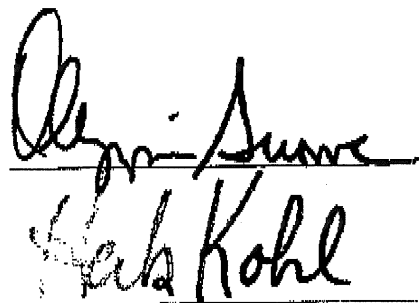
Dear Leaders,

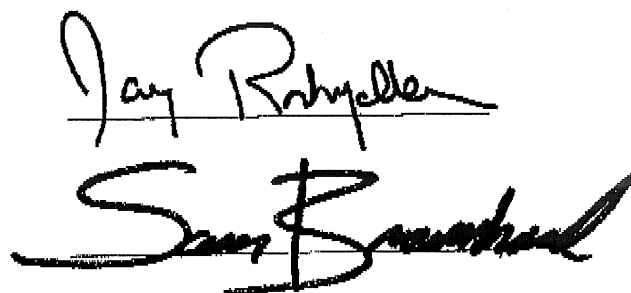
We are writing to urge you to take immediate action when the Congress reconvenes in December to pass legislation to fix the current fiscal crisis for the Universal Service Fund. Without such action, the Federal Communications Commission (FCC) will be forced to raise the universal service line item from 8.9% to 12.5% on December 15, 2004. Without such an increase, the FCC will not be able to collect sufficient funds to fully cover all the pending applications for E-Rate and the Rural Health Care program.

This legislation is necessary because earlier in the year, the FCC and the Universal Service Administrative Corporation (USAC) suppressed collections of Universal Service contributions in order to keep phone rates lower. New accounting rules imposed by the FCC now require cash-on-hand to fund E-Rate and Rural Health Care commitments. By simply exempting the Fund from the Anti-Deficiency Act through December 31, 2005, USAC could immediately act on all pending E-Rate and Rural Health Care applications.

It is imperative to take action before December 15th and sine die adjournment of Congress to restore the Universal Service Fund programs, and to keep phone rates even.

Sincerely,


Herb Kohl


Jay Byrnes

Blanche L. Linde

Mike Cryo

David Burr

James M Jeffords

Patrick Leahy

Greg Hollings

Mark Dayton

P. L. Chafee

Chris Dodd

Frank Laut

John Chafee

Henry L...

Max Baucus

Rellie Starnes

Jack Reed

John...

Robert A. Menendez

Chuck Haber

Byron D. Dorgan

Liz...

Bill Nelson

Maria...

E. Benjamin Johnson

Barbara Baker

Charles Schumacher

Russell O Feingold

Roy Carlson

Ray Bailey Fitchison